

**FORMER FIRE STATION #14
REQUEST FOR REDEVELOPMENT PROPOSALS
FOR CITY-OWNED REAL PROPERTY AT
1704 33rd AVENUE NORTH
JANUARY 28, 2015**



Issued by:



City of Minneapolis – Community Planning and Economic Development

105 Fifth Avenue South, Suite 200
Minneapolis, Minnesota 55401 www.ci.minneapolis.mn.us/cped

Contact Casey Dzieweczynski at
casey.dzieweczynski@minneapolismn.gov
for issues specific to this RFP

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INTRODUCTION

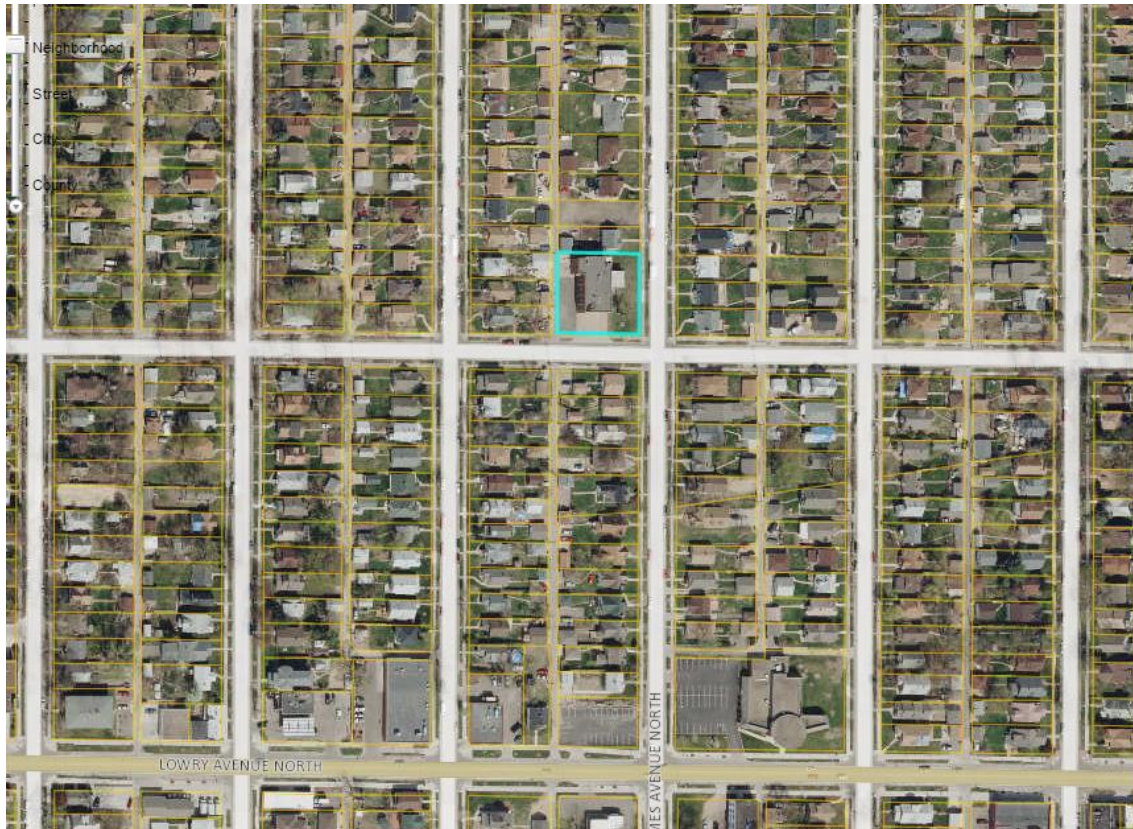
The City of Minneapolis ("City") is seeking redevelopment proposals for certain property owned by the City and located at 1704 33rd Avenue North (the "Site"). The Site consists of the former Minneapolis Fire Station #14 building. The fire station was built in 1940 and was in operation from 1940 until 2006 when a new station was constructed at 2002 Lowry Avenue North. The City's development goals for the Site include repurposing the fire station to create an amenity for the neighborhood while also preserving the historic nature of the building.

Proposals are due in City offices no later than 4:00 p.m. local time Thursday, February 26, 2015.

SITE FACTS AND REDEVELOPMENT GOALS

Arial photos of the Site





The Site is located at the northwest intersection of 33rd Avenue North and James Avenue North. The Site is approximately 16,384 square feet, or 0.38 acres. The fire station building is two (2) stories with a partial basement. The gross building area is 10,492 square feet, consisting of 4,819 square feet on the main level, 3,855 square feet on the second level and 1,818 square feet in the basement level. The Site is located in the Folwell Neighborhood in the City's 4th Ward. It is one block north of Lowry Avenue North, a key community corridor that runs through the heart of North Minneapolis. The Site is zoned R1A-Single Family Residential.

The City seeks proposals that include small-scale retail/commercial or small-scale office redevelopments. Mixed-use retail/office redevelopments will also be considered. Generally speaking, proposed uses should be those allowed in C1 Neighborhood Commercial Districts or OR 1 Neighborhood Office Residence Districts as they are defined in the City's zoning code.

Proposed uses should include adaptive reuse of the building and should blend well with the surrounding neighborhood which consists primarily of single family homes. **It should be noted that a commercial, office, or mixed-use redevelopment will likely require a rezoning of the Site.** Proposals consisting of demolishing the fire station building will not be considered.

ENVIRONMENTAL CONDITIONS

There are no known environmental site assessment or geo-technical reports completed for the Site. The developer selected for the project will be provided an opportunity to conduct environmental testing under a Right of Entry Agreement with the City.

The City has conducted a Property Conditions Assessment Report for the Site, which is available for review as an exhibit on the RFP website at:

http://www.minneapolismn.gov/cped/rfp/cped_rfp.

ESTIMATED MARKET VALUE

Kara Olson, Real Property Appraiser of CBRE completed a market value appraisal of the Site in January 2015. Ms. Olson concludes that the as-is market value of the Site is \$230,000. The appraisal is available for review as an exhibit on the RFP website at: http://www.minneapolismn.gov/cped/rfp/cped_rfp. Submittals must include an offer price, which will be one of multiple criteria for evaluating proposals. It is the City's policy to sell redevelopment property at its fair market value. Write-downs from that value are considered public financial assistance and may trigger other requirements for the project. Offers that require a write-down are discouraged. The City expects full and complete payment for purchase of the Site by the selected developer at the time of closing.

PROPOSAL DEADLINE

Proposal submission

Proposers must submit copies of their proposals as follows:

- One (1) unbound copy
- One (1) electronic version in PDF format on a CD, including Excel files for project financial information as described below.

Proposals must be on standard 8 ½" by 11" paper. All supporting documentation must be on paper no larger than 11" by 17". Proposals and supporting documentation must be submitted in a sealed envelope labeled "Former Fire Station #14 Redevelopment Proposal." E-mailed or telefaxed proposals will not be accepted. Proposers may choose to provide additional copies if and when invited to do so for presentation purposes. Submissions will not be returned.

Proposals shall be delivered to the City on or before:

4:00 p.m. (local time) Thursday, February 26, 2015

To:

**Casey Dzieweczynski, Senior Project Coordinator
City of Minneapolis, Department of CPED
105 Fifth Avenue South, Suite 200
Minneapolis, MN 55401
Email: casey.dzieweczynski@minneapolismn.gov**

Proposals received after the deadline will not be accepted. It is neither CPED's responsibility nor practice to acknowledge receipt of any proposal. It is the proposer's responsibility to assure that a proposal is received in a timely manner.

RFP INQUIRIES

Prospective proposers may only direct questions in writing (preferably via email) to the department contact person:

Casey Dzieweczynski, Senior Project Coordinator
City of Minneapolis, Department of CPED
105 Fifth Avenue South, Suite 200
Minneapolis, MN 55401
Email: casey.dzieweczynski@minneapolismn.gov

All questions are due no later than Monday, February 16, 2015 at 4:00 p.m. Questions will be answered in writing and posted on the RFP website at: http://www.minneapolismn.gov/cped/rfp/cped_rfp by Thursday, February 19, 2015. The department contact person is the only individual who can be contacted about the RFP by proposers before the proposal deadline. The department contact cannot vary the terms of the RFP.

PROPOSAL CONTENTS

Proposals must include the following information to be deemed complete and responsive and must be in the following order and with corresponding section numbering (all proposals must include page numbers). Select items below must be presented in special format as noted. Proposals deemed incomplete and/or non-responsive will not be considered. The information being requested through this RFP is necessary for the City to adequately evaluate your proposal. Failure to supply the requested information may result in rejection of the proposals. The City is not responsible for the costs incurred by proposers or their subcontractors in connection with this RFP process, including, but not limited to costs associated with preparing a proposal or associated with participating in any presentations or negotiations related to this RFP.

1. A cover page that includes the following information:
 - a. Proposer's name and mailing address
 - b. Proposer's current legal status: corporation, partnership, sole proprietor, etc.
 - c. Federal ID number or Social Security number
 - d. State ID number
 - e. Contact person's name, title, phone number and e-mail address
 - f. Signature of authorized corporate officer for each entity proposing as a partnership or team

2. A **description of the proposed redevelopment**. If applicable, Information should be included about the anticipated type of tenants expected, and rents.
3. An **identification of the entities** that will be involved, including the following information:
 - a. A description of the roles they will play (e.g., developer, architect, building owner, property manager, tenant, professional consultant)
 - b. A summary of the development team's past experience in working together
 - c. A description of the entity's experience in developing similar projects, including location, type of development, proposer's role(s), cost of project, funding sources, status of project, and information about any continued financial or operating interest in each.
 - d. Include specific previous relevant experience with public entities, including reference contact information. The City may ask for supporting documentation substantiating claims of previous experience.
 - e. Summarize any lawsuits to which the proposer or any principals of the proposer have been a party.
 - f. Identify the principal person who will speak for the development team and any other key participants who will be involved in negotiating the project terms.
 - g. Specify whether the development team is or intends to form a corporation, a general or limited partnership, a joint venture or other type of business association to carry out the proposed development.
 - h. The proposer must also provide two years of financial statements, which may be submitted confidentially to the CPED Director under separate cover. Design consultants on the team must be licensed in the State of Minnesota and contractors must be licensed to work in the City of Minneapolis
 - i. The submission must include a certification that identified team members meet these requirements.
4. A **development budget** showing the detailed sources and uses of funds (debt, equity and other) to acquire and redevelop the site (including any tenant improvements). Insure that the capital pro forma breaks out project costs to indicate all developer and professional fees. Information as to the status of securing those funds should be included and inclusion of a conditional financing commitment is strongly encouraged. Clearly indicate any public assistance to be requested. If the project includes multiple uses, the development budget should be broken down by the component uses (commercial, office, etc.). **Please provide one electronic and editable copy of the pro forma including all underlying assumptions and equations in .xls format.**

5. An **operating pro forma** of at least 10 years for the building operation, including the assumptions underlying the income and expense projections. Clearly indicate assumptions, if applicable, for rental rates, vacancy rates, operating expenses, growth rates, taxes, debt service, and capital reserves. Also show the cash-on-cash return, internal rate of return, and available cash flow. If the project includes multiple uses, the operating pro forma should be broken down by the component uses. Detailed pro formas in a format acceptable to CPED will be required during the negotiation of a redevelopment agreement. **Please provide one electronic and editable copy of the pro forma including all underlying assumptions and equations in .xls format.**
6. A **market study, letters of intent from tenants**, or other information documenting the demand for the proposed space.
7. A **description of the public benefits** that will result from the development, e.g., jobs created or retained (including the estimated number, type and wage levels), tax base enhancement, the provision of retail goods and services, etc. This should include an estimate of the taxable value upon completion and annual real estate taxes.
8. A **proposed timeframe** for the development, including identification of any conditions that must be met before the proposal can become a reality. The schedule should include the time needed to obtain financing, complete design and secure permits and approvals, prepare the site, start and complete construction, and start and complete lease-up and/or sellout.
9. An executed "Consent for Release of Response Data" form (Attachment 1). Proposals that do not include an executed "Consent for Release of Response Data" form shall be considered incomplete which will be grounds for rejection of the entire proposal.
10. Any **other information** that would help City staff understand and evaluate the concept.

The contents of the proposal and any clarification to the contents submitted by the selected proposer may become part of the contractual obligation and be incorporated by reference into the redevelopment contract between the selected proposer and the City.

Development teams/developers responding to this RFP are not required to provide a good faith deposit on the land with their proposals. However, the development team whose proposal is ultimately selected by the City Council must make the required deposit of 10% of the Purchase Price at the time of selection which will be held by the City until the project is complete.

EVALUATION CRITERIA

In reviewing potential development concepts, the following criteria are among those that will be considered:

1. The experience and the financial and organizational capacity of the developer in successfully planning and completing development projects of similar type and scale, on time and within budget.
2. The extent to which the proposed development is in compliance with the Minneapolis comprehensive plan, redevelopment goals of this document, and other relevant planning documents for the area. Because commercial, office and mixed-uses will require a rezoning, consideration will be given as to how proposals will compliment and interact with the surrounding community made up of primarily single family homes.
5. The extent to which the project can move forward on the proposed timetable.
6. The market and financial feasibility of the project.
7. The anticipated ability of the project to secure necessary private funds.
8. The public benefits that would be provided by the project, including the offered purchase price.
9. Overall quality of the proposal.
10. Offered purchase price.

The City may, in its sole discretion, expand or reduce the criteria upon which it bases its final decisions regarding selection of the development team or developer for this site.

Citizen Participation

The City of Minneapolis has established a citizen participation process for development projects impacting neighborhoods and values advice/input from the public obtained through this process. The neighborhood group officially designated to provide input on responses to this RFP is the Folwell Neighborhood Association. Proposers may be required to attend a community meeting to discuss their proposal. Additional information regarding a presentation, location, and participation will come after the submission date. All responsive proposers that wish to be considered for development rights must be present and deliver a professional presentation on their proposal if there is a community meeting.

Under the Minnesota Government Data Practices Act, Minnesota Statutes Ch. 13, public disclosure of RFP response data prior to execution of a contract is restricted. In order to meet the City's citizen participation goals, the City requires each proposer to execute and submit a "Consent for Release of Response Data" form as attached to this RFP as Attachment 1. Failure to submit the "Consent for Release of Response Data" will be grounds for rejection of the entire proposal as unresponsive. Notwithstanding the foregoing, if proposers are being asked to provide financial statements as part of the RFP response, proposers may submit such financial statements under separate cover and it will be treated consistent with the Minnesota Government Data Practices Act.

Review/Selection Process

A committee comprised of City staff will review proposals received by the due date that are deemed complete and responsive. Input and comment also will be sought from the Folwell Neighborhood Association. Once the review is complete CPED staff will seek City Council action to authorize the land sale to the preferred proposer at a public hearing as well as seek City Council action to execute a redevelopment contract with the proposer.

The City reserves the right to reject any or all proposals or parts of proposals, to negotiate modifications of proposals submitted, and to negotiate specific work elements with a proposer into a project of lesser or greater magnitude than described in this RFP or the proposer's reply.

TIMING

It is the City's desire that a redevelopment contract be executed with the selected proposer as soon as possible and that redevelopment of the Site would begin no later than fall of 2015.

Anticipated RFP timeline (subject to change)	
RFP questions due	February 16, 2015, 4:00 p.m.
Submission deadline for proposals	February 26, 2015, 4:00 p.m.
Review/evaluation of proposals and neighborhood review	February 2015 to March 2015
Developer selection and land sale authorization from the Minneapolis City Council	April 2015
Negotiate terms of redevelopment contract and close on land sale	May 2015

CITY CONTRACTING REQUIREMENTS

The selected proposer will be required to enter into a redevelopment contract with the City that will contain standard City requirements such as insurance and indemnification and provisions to ensure redevelopment of the Site, e.g., construction and financing plan approval prior to commencement of construction, transfer and encumbrance limitations prior to completion, and reversionary rights. Other requirements vary depending upon the type of development and the source and amount of public investment, if any.

The following list is not exhaustive. Proposers unfamiliar with these standard requirements are urged to seek further information from City staff.

1. Equal opportunity (affirmative action and nondiscrimination). If the project receives public financial assistance over \$50,000, the selected developer will be required to submit a written affirmative action plan to the City's Department of Civil Rights for the development project. During the performance of the development contract, the selected developer also will be required to comply and cause its contractors to comply with applicable provisions of Chapters 139 and 141 (Title 7, Civil Rights), Minneapolis Code of Ordinances, and other applicable federal, state and local regulations, statutes and ordinances pertaining to civil rights and nondiscrimination.
2. Job Linkage. The Job Linkage Program links economic development with employment. The purpose of the program is to insure increased employment opportunities for Minneapolis residents. All commercial/industrial development projects whose primary purpose is job creation or retention must establish and report on certain workforce goals for five years.
3. Prevailing Wage Policy. If the City provides assistance to the developer as defined in the City's Prevailing Wage Policy, the developer must covenant and agree to cause its general contractor to comply with the wage and hour standards issued by the United States Secretary of Labor pursuant to the Davis Bacon Act, 40 U.S.C. Sections 276a to 276a-5, as amended, and the Contract Work Hours and Safety Standards Act, 40 U.S.C. Sections 327-333.
4. Small and Underutilized Business Program. Development projects that receive public financial assistance over \$100,000 must comply with Chapter 423 of the Minneapolis Code of Ordinances, which requires "good faith efforts" to meet goals for the use of businesses owned by women and minorities in construction and professional services. A list of certified businesses can be obtained by contacting the Small and Underutilized Business Program at 612-673-3076 or at www.mnucp.metc.state.mn.us.
5. Apprenticeships. If the City provides assistance to the developer as defined in the City's Registered Apprenticeship Training Program Policy, the developer must covenant and agree to cause its general contractor and any subcontractors with a construction contract over \$50,000 to provide evidence of participation in an apprenticeship training program registered with the state.
6. Minnesota Business Subsidy Act. Depending upon the level and purpose of public assistance that may be received, provisions of the Minnesota Business Subsidy Act, Minnesota Statutes, sections 116J.993-116J.995, and/or the City's Living Wage Ordinance, Minneapolis Code of Ordinances, chapter 38, may also apply to the project. Should these requirements apply, they will be incorporated into a business subsidy agreement.
7. Affordable Housing Policy. The City's Affordable Housing Policy applies to any residential development (rental or ownership) with ten or more units that receive any public financial assistance. Public financial assistance includes the receipt of City-wide resources through the normal funding processes established by the

City, or the receipt of non-City resources that are either passed through the City or requires the City to be a co-applicant (see Affordable Housing Policy at: www.minneapolismn.gov/cped/resources/reports/cped_affordable_housing_resolution)

EXHIBITS

Exhibits and any further information to be posted are available for download from:

http://www.minneapolismn.gov/cped/rfp/cped_rfp

List of Exhibits:

- Appraisal Report, January 2015
- Property Conditions Assessment, December 2014
- Original Building Plans

Attachment 1
Form of Consent for Release of Response Data

_____, 20__

City of Minneapolis
Department of Community Planning and Economic Development
105 5th Avenue S.
Minneapolis, MN 55401

Re: Former Fire Station #14 Request for Proposals
 Consent for Release of Response Data

_____, on behalf of
_____, hereby consents to the release of its development
proposal in response to the _____ Request for
Proposals and waives any claims it may have under Minnesota Statutes Section 13.08
against the City of Minneapolis for making such information public. The foregoing
consent and waiver does not extend to financial statements submitted under separate
confidential cover, which shall be treated by the City consistent with Minnesota Statutes,
Section 13.591.

Attachment 2
Selected Photographs

South and east elevation



Interior view of first level



Interior view of first level kitchen



Interior view of second level



Interior view of second level

